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OF COUNSEL

December 13, 2006

VIA FACSIMILE: 916-322-1932

Chairman Liane Randolph and Commissioners
California Fair Political Practices Commission
428 J Street, Suite 620
Sacramento, CA 95814

RE: Proposed Regulation 18530.3

Dear Chairman and Commissioners:

This is to summarize comments I will offer in more detail concerning the staff draft of Proposed Regulation 18530.3, which I urge the Commission to adopt.

Option 2 (subdivision (b) of the proposed regulation) is preferable to Option 1. As previously noted in the extensive correspondence concerning this subject, a political party committee may be required to – indeed is more likely to – use “hard federal dollars,” i.e., contributions subject to the prohibitions and limits of section 441 of the Federal Election Campaign Act, as compelled by the provisions of title 2, U.S.C.A. 441i(b), for communications that promote, attack, support or oppose a federal candidate and also state and local candidates and ballot measures. Thus, to fail to reference all federal funds would leave out the most likely federal dollars compelled to be used for state campaign contributions.

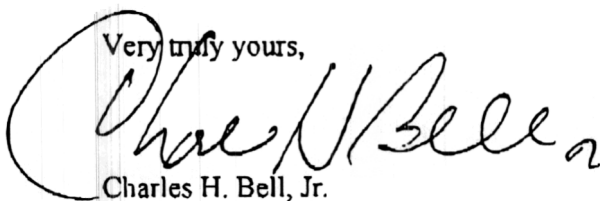
I cannot find any reference to a document that indicates the Commission directed staff to provide for the last sentence of subparagraph (a), which subjects Levin funds to the limits of Government Code section 85303(b). The minutes of the September 2006 Commission meeting are not found on the Commission’s website, and my own notes do not contain any reference to such a direction from Commissioners to staff.

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Letter to Chairman Liane Randolph and Commissioners
California Fair Political Practices Commission
December 13, 2006
Page 2

Please feel free to contact me if you have any questions concerning this Proposed Regulation.

Very truly yours,

A handwritten signature in black ink, appearing to read "Charles H. Bell, Jr.", is written over a light gray rectangular background. The signature is fluid and cursive, with a large initial "C" and "H".

Charles H. Bell, Jr.

CHB/jg

Enclosure